

**CONFIDENTIAL**

200-7-228-62  
H2PA-2590

INTELLIGENCE REPORT 24-56  
25 June 1954

of Panamanian farm products; 2) importation by Panama of German and other European industrial goods; 6) establishment of German branch industries in Panama; and 7) permanent display of German consumer goods in the Colon Free Zone.

~~SECRET~~  
Discussions planning the establishment of the corporation began on 12 June during a meeting held at the home of Alt. rt. OFFICER-BERGER, Consul General of Germany in Frankfurt. This meeting was also attended by Anibal XMAS, Panamanian Minister to West Germany; Luis E. REED, German Minister of Economy; and Dr. Karl REICHL, head of the Latin American section of the German Ministry of Economy. (UNCLASSIFIED)

~~SECRET~~  
Summary: Apparently, West Germany is making efforts to establish economic ties with Latin America, which is a potential source of raw materials and foodstuff, as well as a market area for German industry. In the spring of 1954, ERGARD spent twenty eight days in eight Latin American nations publicizing West German industrial processes. While in Panama, he visited the International Trade Fair at the Colon Free zone in which his country participated and initiated negotiations toward a \$25 million trade pact between the two countries. (UNCLASSIFIED)

~~SECRET~~  
**ANTI-COMMUNIST NAMED TO HEAD STUDENT UNION**

The Union de Estudiantes Universitarios - UEU (Union of University Students) met on 18 June 1954 for the purpose of selecting a new president. Mariano OTERIZA, outgoing president of the UEU, presided over the meeting and formally tendered his resignation. OTERIZA urged that no election be held and that instead, Henry M. KOURANY, Vice President, be named to the UEU presidency. Over protests of the leftist elements of the UEU, KOURANY was selected for the post. (CONFIDENTIAL)

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Comment: OTERIZA's withdrawal from the UEU will give him the time desired to pursue his education. The nomination of KOURANY to the presidency is at least a temporary victory for the anti-Communist student groups. In November 1953, as Vice President of the UEU, KOURANY

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DATE 2006